

U.S. House Acts to Protect Homeownership, But President Bush Threatens Veto

St. Paul, MN--On Monday, Congresswoman Betty McCollum (MN0-04) and St. Paul City Councilmember Dan Bostrom toured East Side neighborhoods hit hard by the crisis in home foreclosures. Last week, the U.S. House passed comprehensive legislation, the American Housing Rescue and Foreclosure Prevention Act (H.R. 3221) and the Neighborhood Stabilization Act of 2008 (H.R.5818), to help families facing foreclosure, avoid foreclosures in the future, and help communities harmed by empty homes caught in the foreclosure process.

President Bush has threatened to veto the legislation.

“Congress is acting out of necessity, because the American Dream of homeownership has become a nightmare for too many people in our community,” said McCollum. “We saw this morning that the foreclosure crisis is inflicting real pain on St. Paul families, neighborhoods, our state and our entire country.

Leaders here in St. Paul like Councilman Bostrom understand the situation, and are working hard to stabilize our neighborhoods.

Congress has recognized the need for action, and it’s time for the president to wake up and get in touch with reality.

Bostrom quote: “”

A recent *Housing Link* study commissioned by the Greater Minnesota Housing Fund indicates that without action, foreclosures are expected to continue over the upcoming years, with another 28,000 in 2008. Across the country, Between 7,000 and 8,000 people a day are filing for foreclosure. The New York Times recently reported that fewer than 2,000 homeowners at risk of foreclosure have been helped by a Federal Housing Administration program touted by President Bush to homeowners who had fallen behind on mortgage payments.

Economists and financial experts support Congress taking action to address the foreclosure crisis. Last week, Federal Reserve Chairman Ben Bernanke said, “High rates of delinquency and foreclosure can have substantial spillover effects on the housing market, the financial

markets, and the broader economy. Therefore, doing what we can to avoid preventable foreclosures is not just in the interest of lenders and borrowers. It's in everybody's interest."

"Unfortunately President Bush has threatened to veto the vital legislation passed by Congress. I urge the President to work with Congress and the American people to sign into law this bipartisan plan endorsed by leading economists," said McCollum.